Reasons for lack of interest of foreign airlines in the bidding process of Air India

3666. SHRI J. CHITHARANJAN :
SHRI V. V. RAGHAVAN :

Will the Minister of DISINVESTMENT be pleased to state :

(a) whether it is a fact that some of the conditions incorporated in the draft shareholders' agreement and share purchase agreement were the important reasons for lack of interest of foreign airlines in continuing with their participation in the bidding process; and

(b) if so, whether Government would assure that no substantive changes or dilution will be made to the provisions of these agreements at the instance of selected strategic partners for the disinvestment of Air India?

THE MINISTER OF STATE OF THE DEPARTMENT OF DISINVESTMENT (SHRI ARUN SHOURIE) : (a) No, Sir. The parties who withdrew from the bidding process did so for their own internal reasons and they did not mention the conditions of the draft shareholders' agreement and share purchase agreement as the reasons for their withdrawal.

(b) Does not arise.

Withdrawal of important foreign airlines from the process of disinvestment of Air India

3667. SHRI V. V. RAGHAVAN :

SHRI J. CHITHARANJAN :

Will the Minister of DISINVESTMENT be pleased to state :

(a) whether it is a fact that many important airlines like British Airways, Air France, Delta and Emirates had initially responded to the expression of interest issued by Government for disinvestment of shares in Air India but subsequently all of them withdrew from the process;

(b) if so, the details thereof; and

(c) whether Government have tried to find out the reasons for their loss of interest in the process?

THE MINISTER OF STATE OF THE DEPARTMENT OF DISINVESTMENT (SHRI ARUN SHOURIE) : (a) and (b) The following airlines submitted their expressions of interest against the advertisement for disinvestment in Air India and obtained Bid Packs :

(i) Air France-Delta Airlines

(ii) Swiss Air Group

(iii) Emirates

(iv) Singapore Airlines (along with Tata)

The parties at (i) to (iii) above withdrew, without assigning any reason.

British Airways-Quantas had also expressed interest in the initial stages. They did not confirm their participation, and later informed that they would in fact not participate.

(c) No, Sir.

New Clause regarding HCI in shareholding agreement of Air India

3668. SHRI PREM CHAND GUPTA : Will the Minister of DISINVESTMENT be pleased to state :

(a) whether it is a fact that his Department has decided to insert a clause in Air India's shareholder agreement stipulating that proceeds from the sale of its subsidiary, the Hotel Corporation of India (HCI) would accrue proportionately to AI's shareholders whenever the latter is privatised;

(b) if so, the reasons for this step;

(c) whether it would affect the disinvestment process of AI; and

(d) if so, the details thereof ?

THE MINISTER OF STATE OF THE DEPARTMENT OF DISINVESTMENT (SHRI ARUN SHOURIE) : (a) No, Sir.

(b) to (d) Do not arise in view of reply to (a) above.